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CH, IN

SUBJECT: (U) Secretary Rice's participation in the June 27, 2008 Trilateral Strategic Dialogue

¶1. (U) Classified by: Uzra Zeya, Deputy Executive Secretary, S/ES, Department of State, Reasons 1.4 (b) and (d).

¶2. (U) June 27, 2008; Kyoto, Japan.

¶3. (U) Participants:

U.S.
The Secretary
Ambassador Schieffer
U/S Bill Burns
A/S Christopher R. Hill, EAP
Lt. Gen. William Fraser
DCOS Besanceney
A/S Sean McCormack, PA
CG Daniel Russel (notetaker)

JAPAN
Foreign Minister Masahiko Koumura
Kenichiro Sasae, Deputy Foreign Minister for Political Affairs
Shinichi Nishimiya, Director General, MOFA N. American Affairs
Akitaka Saiki, Director General, MOFA Asian and Oceanian Affairs
Kanji Yamanouchi, Director, MOFA First N. America Division
Shimokawa, Secretary
Iwama, Director

AUSTRALIA
Foreign Minister Smith
Foreign Secretary L'Estrange
Counselor Bloomfield
Advisor Hoogen
Advisor Mundy

¶4. (C) SUMMARY: The Secretary met with the Foreign Ministers of Japan and Australia for the fourth ministerial meeting of the Trilateral Strategic Dialogue (TSD), immediately following the G-8 Ministerial in Kyoto,

Japan. They reviewed trilateral cooperation in Humanitarian Assistance/Disaster Relief (HA/DR), the Security and Defense Cooperation Forum, Counterterrorism, Southeast Asia, the Pacific Islands, and Intelligence. The United States agreed to host the next TSD Ministerial. The working dinner addressed India, China, proliferation, and Burma. Japan, as host, released a Ministerial statement with an annex on Humanitarian Assistance/Disaster Relief (HA/DR). END SUMMARY.

Ministerial Meeting

¶5. (SBU) The Secretary and the Foreign Ministers of Japan and Australia moved briskly through the agreed agenda after affirming the value of the TSD and expressing their commitment to the process. While it was valuable to share views given the pace of change in the region, they agreed that the key was achieving practical and effective results through the TSD process. They endorsed the plan for a Senior Officials Meeting (SOM) on the margins of UNGA, and Japan and Australia welcomed the U.S. offer to host the next Ministerial ? ideally before January 20, 2009.

¶6. (C) Humanitarian Assistance/Disaster Relief (HA/DR): The three Ministers approved a statement on HA/DR and agreed it should be followed up with concrete work by the Washington Working Group and in the field. FM Smith indicated that Australia planned to host an officer-level meeting soon to finalize guidelines for trilateral cooperation.

¶7. (C) Security and Defense Cooperation Forum (SCDF): FM Koumura proposed holding tabletop exercises, noted the value of increased interoperability, and committed to moving forward on information sharing, exercises, and other concrete measures. The Secretary said the SCDF was a good forum for cooperation that was building structure from lessons learned in the Indian Ocean Tsunami relief effort. FM Smith confirmed Australia will host a principals meeting in early 2009.

¶8. (C) Counterterrorism (CT) Cooperation: The Secretary said the United States would host a TSD CT forum in the fall and looked to embassies to continue to work trilaterally between meetings to exchange information and identify gaps or duplication. All three ministers praised the May seminar on bioterrorism held in Malaysia as useful and innovative.

¶9. (C) Southeast Asia Cooperation: While cooperation with ASEAN was valuable, the Secretary said, trilateral coordination was essential to address Southeast Asia's challenges and proposed director-level discussions to build on cooperative efforts among our embassies. FM Smith agreed and also stressed the importance of building good relations with Indonesia, describing it as a key to the region, which was facing economic, food, energy, and terrorism challenges.

¶10. (C) Fifth Japan-Pacific Summit: FM Koumura raised the importance of keeping pressure on Fiji to hold elections in March. He suggested that TSD regional embassy working groups could be expanded to include New Zealand. FM Smith demurred "for the time being;" others like France also had a special interest in the Pacific. Expressing skepticism about Fiji's election timeline, he recommended the three countries push for a firm commitment at the August Pacific Island Forum leaders meeting in

Niue. The Secretary agreed and commended Australia's leadership in the Pacific. She also asked Australia and Japan to use the TSD working group to explore economic opportunities for Pacific development resulting from U.S. military realignment to Guam.

¶11. (C) Intelligence Cooperation: FM Smith proposed that the three intelligence services share thinking on the strategic implications of emerging global problems such as resource shortages, climate change, and pandemics. Secondly, he flagged the importance of working together to identify and fix deficiencies in information handling and security. Secretary Rice endorsed the suggestions. FM Koumura acknowledged that intelligence reform "needs to be done properly" to permit the sharing of information.

INDIA

¶12. (C) FM Smith began the working dinner discussion by flagging India's emergence as an important issue for the TSD. Secretary Rice described India as struggling to come to terms with itself as a global power and to leave behind its self-image as a champion of the obsolete Non-Aligned Movement. She contrasted India's uncooperative behavior in the Doha round with the impressive role Delhi played in Tsunami relief, its approach on climate change, and its leadership as a donor to the UN's Democracy Fund. She urged that the TSD find specific areas of cooperation to engage India and speed its transition to a global role. Surely, India could be involved in TSD HA/DR activities and discussions, even if we did not formalize a "quad," the Secretary observed.

¶13. (C) The other two ministers expressed strong support for such involvement as a way to encourage India's global engagement particularly, as FM Koumura noted, given India's huge potential and its appetite for resources. Japanese yen loans and development aid to India was modest, but it was helping to stimulate private investment there. In response to FM Smith's reference to India's post-colonial bureaucracy, Secretary Rice pointed out that as a functioning democracy, India could be particularly effective as a model and mentor in the developing world. Imagine the contribution a bureaucracy like India's could make to civil society and rule of law in Afghanistan, for example. The Secretary also briefed on U.S.-India relations, making clear that the civil nuclear deal was only a single issue in a broad and active relationship.

CHINA

¶14. (C) FM Smith called good relations with both emerging

powers India and China a "plus sum game" that benefitted everyone. That said, Australia had no illusions about China, and Prime Minister Rudd had been forthright with Beijing on its human rights breaches in Tibet. The Secretary said the United States had just resumed its human rights dialogue with China and was working to move beyond individual prisoner cases to structural reform, such as laws that criminalize free speech and require U.S. internet companies to monitor and report bloggers. Another issue was making China act responsibly in economic terms: its economy was far too large to hide behind the ?developing country? label to rationalize threatening or unacceptable practices. The Secretary concluded that China needed to act responsibly in accordance with its power abroad as well as at home; its willingness to fund palaces for Sudan's leadership, for example, contradicted the international push for good governance.

¶15. (C) A third concern, which the Secretary said should be discussed trilaterally but also taken up with Beijing individually, was Chinese militarization. China's military build-up exceeded its national security needs, lacked transparency, and was marked by troubling events like the recent anti-satellite test. FM Koumura strongly agreed that each of the three governments should press the

Chinese for transparency regarding its military build-up.

Proliferation

¶16. (C) FM Koumura criticized China's unwillingness to make progress on nuclear disarmament and expressed concern about China's and India's nuclear arsenals, asking if the the United States and Australia were similarly worried. The Secretary said we were concerned because China and India, as well as Pakistan, were operating in an "unconstrained atmosphere" without a security architecture that could reduce risk. In contrast, the United States and the Soviet Union had in place a large measure of predictability through dialogue, transparency, and CBMs during the Cold War. FM Smith asked if there was more we could do collectively and raised the Australian proposal for an International Nuclear Nonproliferation and Disarmament Commission, which he asked Japan to consider joining. The U.S.-Soviet experience showed the value of regulatory arrangements to reduce risk. Moreover, we face the more grave threat of a non-state actor acquiring a nuclear weapon. FM Koumura interjected that a nuclear-armed North Korea - a state that kidnapped Japanese citizens - posed as much a threat as a terrorist group. The Secretary replied, "That's exactly why we are trying to disarm them."

¶17. (C) Secretary Rice told FM Smith that the Australian-

proposed Commission was a welcome development. There was a real threat from terrorist organizations and rogue nations. She said she hoped the Commission would address the need for a regulatory regime since Asia, unlike the U.S.-Soviet model that evolved over 30 years, had no security institution to manage threats and prevent accidental release. That was one reason we were looking to see if a mechanism could emerge from the Six-Party Talks. A third urgent issue, the Secretary said, was the fuel cycle problem: namely, the loophole in the NPT that entitled countries to enrich and reprocess. Since we could not verify in a closed society if the application was genuinely for civil power, that loophole needed to be closed.

IRAN

¶18. (C) This dual use loophole was why we had an Iran problem, the Secretary stated. It was essential that we cooperate to prevent Tehran from joining the group of dangerous states with nuclear weapons. Libya had been a terrorist state that was persuaded to voluntarily relinquish its WMD program. North Korea, after a 30-year quest for nuclear weapons, was now beginning to destroy its nuclear facilities. Syria's nuclear reactor, however, was taken out of commission in a different manner. Tehran needed to be persuaded to comply. FM Smith agreed that we faced a significant threat and called Iran the "test case" on nuclear proliferation. The prospect of any state acting unilaterally to "deal" with the Iranian nuclear problem was worrying. The challenge was to use pressure, including UN sanctions, to bring Iran into compliance with international norms.

BURMA

¶19. (C) Turning to Burma, the Secretary predicted that the ASEAN Regional Forum (ARF) would in effect be the "Burma Meeting." For the Junta to let untold numbers die while clearly non-political relief sat offshore was so awful that the ARF could not appear to accept it. FM Smith pronounced himself "in screaming agreement."

Australia had made explicit that while its humanitarian aid had no politics attached, the Junta still blocked it. ASEAN and the UN Secretary-General were able to make only minor inroads. FM Koumura said he fully agreed with taking up the issue at ARF and said we should bring sticks as well as offer carrots if there was some movement. Burma's leaders, like North Korea's, had proven themselves devoid of any concern for their people.

RICE